



MCB BANK LIMITED

Sri Lanka

STATEMENT OF FINANCIAL POSITION		Sri Lanka operations LKR 000		Group Pakistan PKR 000		STATEMENT OF COMPREHENSIVE INCOME		Sri Lanka operations LKR 000		Group Pakistan PKR 000		CASH FLOW STATEMENT		Sri Lanka operations LKR 000	
As at	31.03.2020	31.12.2019 AUDITED	31.03.2020	31.12.2019 AUDITED	For the Three months ended 31 March	2020	2019	2020	2019	For the period ended 31st March	2020	2019	2020	2019	
ASSETS					Interest income	654,733	760,708	41,656,568	29,336,108	Cash Flows From Operating Activities					
Cash and cash equivalents	180,847	267,190	112,366,406	142,957,358	Interest expenses	(363,097)	(364,908)	(24,370,786)	(14,997,416)	Interest and commission receipts	679,724	796,877			
Balances with central banks	685,883	1,280,647	-	-	Net interest income	291,636	395,800	17,285,782	14,338,692	Interest payments	(363,097)	(364,908)			
Placements with banks	1,544,963	1,295,306	30,901,852	27,432,622	Fee and commission income	24,992	36,170	3,125,528	3,063,815	Receipts/(outgoings) from other operating activities	63	(25,202)			
Derivative financial instruments	116,037	-	-	-	Fee and commission expenses	-	-	-	-	Cash payments to employees and suppliers	(228,511)	(231,714)			
Financial assets held-for-trading	-	-	-	-	Net fee and commission income	24,992	36,170	3,125,528	3,063,815	Operating profit before changes in Operating Assets and Liabilities	88,180	175,053			
Financial assets at amortised cost	-	-	16,022,625	10,542,688	Net trading income/(expenses)	-	-	834,559	461,665	Increase in Operating Assets					
Loans and Advances to customers	20,065,454	21,089,579	541,280,969	548,472,860	Other operating income (net)	63	(25,202)	207,313	265,397	Deposits held for Regulatory or Monetary Control Purposes	594,764	(28,454)			
Debt and other financial instrument	3,371,767	2,284,431	32,393,702	32,663,856	Total operating income	316,691	406,768	21,453,182	18,129,569	Financial assets at amortised cost - loans & advances	1,027,722	290,267			
Investment securities at FVTPL	5,004,989	4,292,837	791,427,629	709,959,388	Impairment charges for loans and other losses	3,598	10,001	(779,656)	448,170	Other Assets	(103,079)	214,411			
Investments in associates and joint ventures	-	-	3,878,600	4,275,658	Net operating income	320,289	416,769	20,673,526	18,577,739	Increase/(Decrease) in Operating Liabilities					
Property, plant and equipment	453,606	455,294	63,986,871	64,201,807	Personnel expenses	(86,746)	(82,988)	-	-	Deposits from customers	(1,050,589)	664,482			
Intangible assets	26,231	28,415	1,936,140	1,978,975	Depreciation and amortisation	(19,225)	(22,221)	(1,123,051)	(644,547)	Other Liabilities	(274,771)	(271,984)			
Other assets	100,782	113,740	65,374,134	69,729,659	Other expenses	(94,487)	(89,473)	(8,695,257)	(9,045,941)	Net Cash Generated from Operations	282,227	1,043,775			
Total assets	31,550,559	31,107,439	1,659,568,928	1,612,214,871	Operating profit before VAT & NBT on financial Services	119,831	222,087	10,855,218	8,887,251	Income Tax Paid	(36,577)	(40,598)			
Liabilities					Value Added Tax(VAT) & Nation Building Tax (NBT) on Financial Services	(28,053)	(37,032)	-	-	Net Cash Flows Generated from Operating Activities	245,651	1,003,176			
Due to banks	3,124,189	1,273,593	73,690,887	64,598,453	Operating profit after value added tax (VAT)	91,778	185,055	10,855,218	8,887,251	Cash Flows from Investing Activities					
Derivative financial instruments	-	143,396	-	-	Share of profits of associates and joint ventures	-	-	260,896	157,543	Net proceeds from maturity and purchase of Financial Investments	(1,795,819)	(712,859)			
Financial Liabilities at amortised cost					Profit before tax	91,778	185,055	11,116,114	9,044,794	Proceed from maturity of other Placements with Banks	(249,656)	(338,829)			
- Due to depositors	20,995,018	22,045,607	1,271,950,183	1,226,593,025	Tax expense	(29,108)	(46,264)	(4,505,932)	(4,034,572)	Purchase of Property, Plant and Equipments	3,873	23,310			
Other borrowings	1,981	142,968	20,209,512	28,261,515	Profit for the period	62,670	138,791	6,610,182	5,010,222	Proceeds from Sale of Property, Plant and Equipment	-	-			
Current tax liabilities	45,841	54,479	-	-	Profit attributable to:					Net Cash Flows generated from Investing Activities	(2,041,603)	(1,028,377)			
Deferred tax liabilities	16,768	15,600	10,531,117	6,214,223	Owners of the parent	62,670	138,791	6,623,914	4,986,133	Cash flow from Financing Activities					
Provision	12,224	12,489	-	-	Non-controlling interests	-	-	(13,732)	24,089	Capital Infusion from Head Office	-	-			
Other liabilities	666,011	869,313	102,628,050	115,200,838	Other comprehensive income/(expenses)					Profit transferred to head office	-	-			
Total liabilities	24,862,033	24,557,447	1,479,009,749	1,440,868,054	Actuarial gains and losses on defined benefit plans	-	-	-	-	Increase/(Decrease) of borrowings	1,709,808	(15,104)			
Equity					Foreign currency translation reserve - Gain / (Loss) on translation of Foreign Operation	72,194	(35,356)	-	-	Decrease of Securities Sold Under Repurchase Agreement	-	-			
Stated capital/Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600	Net Change in Fair Value of Available-for-Sale Financial Assets	3,669	6,682	-	-	Net cash generated from/(used in) financing Activities	1,709,808	(15,104)			
Statutory reserve fund	235,320	232,186	32,335,037	31,683,134	Surplus from revaluation of Property, plant & equipment	-	-	7,949,586	619,382	Net Increase in Cash and Cash Equivalents	(86,343)	(40,304)			
Retained earnings	2,086,056	2,026,520	56,178,259	56,108,779	Surplus on revaluation of non-banking assets - net of tax	-	-	612,937	347,757	Cash and Cash Equivalents at the Beginning of the year	267,190	221,412			
Other reserves	397,642	321,779	79,503,639	70,963,901	Effect of translation of net investment in foreign branches and subsidiaries	-	-	-	-	Cash and Cash Equivalents at the End of the year	180,847	181,107			
Total shareholders' equity	6,688,526	6,549,993	180,559,179	171,346,817	Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	-	Reconciliation of cash and cash equivalents					
Non-controlling interests	-	-	691,644	740,403	Other comprehensive income for the period, net of taxes	75,863	(28,673)	8,562,523	967,139	Cash and cash equivalents	180,847	181,107			
Total equity and liabilities	31,550,559	31,107,439	1,659,568,928	1,612,214,871	Total comprehensive income for the period	138,533	110,118	15,172,705	5,977,361						
Contingent liabilities and commitments	15,387,559	14,777,059	697,737,487	865,456,042											
Number of Employees	142	141	15,470	15,564											
Number of Branches	8	8	1,410	1,410											

Note: Amount stated are net of impairment and depreciation

GROUP CASH FLOW STATEMENT		Group Pakistan PKR 000	
For the period ended 31st March	2020	2019	
Cash Flows From Operating Activities			
Profit before taxation	11,116,114	9,044,794	
Less: Dividend income and share of profit of associates	(461,222)	(359,884)	
	10,654,892	8,684,910	
Adjustments:			
Depreciation of fixed assets	583,177	546,044	
Depreciation on right of use assets	422,219	-	
Depreciation on non-banking assets acquired in satisfaction of claims	8,074	12,062	
Amortisation	109,581	86,441	
Provisions / (reversals) and write offs - net	779,656	(448,170)	
Worker welfare fund	217,299	182,997	
Gain on sale of fixed assets	(17,386)	(21,247)	
(Reversal)/ charge for defined benefit plans	57,000	42,000	
unrealised loss on revaluation of investments classified as held for trading	(3,514)	19,691	
Interest expensed on lease liability against right-of-use assets	375,369	-	
Gain on sale of shares in associates	-	-	
	13,186,367	9,104,728	
Decrease / (Increase) in operating assets			
Lending to financial institutions	(4,061,675)	(163,187,629)	
Held-for-trading securities	(5,395,951)	8,108,313	
Advances	7,148,673	4,431,305	
Others assets (excluding advance taxation)	4,120,539	(1,433,636)	
	1,811,586	(152,081,647)	
Increase in operating liabilities			
Bills payable	(3,826,537)	(5,558,365)	
Borrowings from financial institutions	(666,437)	(145,663,225)	
Deposits	45,357,158	21,664,213	
Others liabilities (excluding current taxation)	(10,100,686)	(3,951,921)	
	30,763,498	(133,509,298)	
Defind benefits paid	(82,171)	(84,302)	
Income tax paid	(3,125,477)	(1,218,549)	
Net cash flow from operating activities	42,553,803	(277,789,068)	
Cash flow from investing activities			
Net investments in available-for-sale securities	(81,461,963)	286,578,698	
Net investments in held-to-maturity securities	12,259,730	(1,247,596)	
Proceeds from divestment in an associate	-	-	
Dividends received	101,023	105,852	
Investments in fixed assets	(557,401)	(1,737,240)	
Investments in intangible assets	(68,504)	(126,597)	
Proceeds from sale of fixed assets	27,190	25,082	
Proceeds from sale of non-banking assets acquired insatisfaction of claims	-	-	
Investments in non-banking assets acquired in satisfaction of claims	-	-	
Effect of translation of net investment in foreign branches and subsidiaries	612,921	331,715	
Net cash flow used in investing activities	(69,087,004)	283,929,914	
Cash flow from financing activities			
Payments of subordinated debt	-	-	
Payment of lease liability against right-of-use-assets	(527,673)	-	
Dividend paid	(5,829,391)	(46,327)	
Net cashflow used in financing activities	(6,357,064)	(46,327)	
Effects of exchange rate changes on cash and cash equivalents	-	-	
Increase in cash and cash equivalents	(32,890,265)	6,094,519	
Cash and Cash equivalents at beginning of the period	162,986,508	121,557,017	
Cash and Cash equivalents at end of the period	130,096,243	127,651,536	

STATEMENT OF CHANGES IN EQUITY		Group Pakistan PKR 000					
	Assigned Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Minority Interest	Total
Balance as at 01 January 2020	11,850,600	31,683,134	24,752,206	46,211,695	56,108,779	740,403	171,346,817
Total comprehensive income for the year							
Profit for the year	-	-	-	-	6,623,914	(13,732)	6,610,182
Other comprehensive income (net of tax)	-	-	7,949,586	612,921	-	16	8,562,523
Total comprehensive income for the year	-	-	7,949,586	612,921	6,623,914	(13,716)	15,172,705
Transfers to reserves during the period	-	651,903	-	-	(651,903)	-	-
Final cash dividend	-	-	-	-	(5,925,300)	-	(5,925,300)
Interim Cash dividends	-	-	-	-	-	-	-
Others	-	-	(22,769)	-	22,769	(35,043)	(35,043)
Total transactions with equity holders	-	651,903	(22,769)	-	(6,554,434)	(35,043)	(5,960,343)
Balance as at 31st March 2020	11,850,600	32,335,037	32,679,023	46,824,616	56,178,259	691,644	180,559,179

STATEMENT OF CHANGES IN EQUITY		Sri Lanka operations LKR 000					
	Assigned Capital	Reserve Fund	Revaluation Reserve	FVOCI Reserve	Retained Earnings	Exchange Equilization Reserves	Total
Balance as at 01 January 2020	3,969,508	232,186	69,080	11,211	2,026,520	241,488	6,549,993
Total comprehensive income for the year							
Profit for the year	-	-	-	-	62,670	-	62,670
Other comprehensive income (net of tax)	-	-	3,669	-	72,194	-	75,863
Total comprehensive income for the year	-	-	-	3,669	62,670	72,194	138,533
Gain on revaluation of property, plant & equipment	-	-	-	-	-	-	-
Transfers to reserves during the period	-	3,134	-	-	(3,134)	-	-
Share issue/increase of assigned capital	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total transactions with equity holders	-	3,134	-	-	(3,134)	-	-
Balance as at 31st March 2020	3,969,508	235,320	69,080	14,880	2,086,057	313,682	6,688,526

SELECTED PERFORMANCE INDICATORS	Sri Lanka Operation				Group	
	As of 31.03.2020	As of 31.12.2019	As of 31.03.2020	As of 31.12.2019		
Regulatory Capital Adequacy (LKR in Million)						
Common Equity Tier 1	6,364	6,362				
Core Tier 1 Capital	6,364	6,362	133,760	132,504		
Total Capital Base	6,052					